

**Frequently Asked Questions on Funding Formula
Addendum #1
April 2010**

The following is a summary of questions received after the funding formula proposal was released to the public:

General

- 1. Provide all data runs used in calculating each component of this formula.**

Additional information including the supporting data is posted on RIDE's website at www.ride.ri.gov. Click on the Proposed Funding Formula link on the home page.

- 2. Provide clarification that some districts (i.e., Cranston) feel that the "current contribution" on the RI Department of Education (RIDE) spreadsheet does not match their current fiscal year number for state aid.**

The current FY 2010 enacted figures used in the proposed funding formula comparisons are calculated starting with enacted state education aid, plus the federal stabilization reduction, minus enacted group home aid (using FY 2010 enacted figures published on RIDE's website, dated 7/2/2009).

For an estimate of year 1 revenues for this funding formula proposal, districts should add back the stabilization reduction and add/subtract the dollar change indicated in year 1 of the transition plan to their FY 2010 enacted state education aid including group home aid.

- 3. Verify that group home aid is outside the formula.**

Group home is outside the formula and will continue as a separate allocation.

- 4. Justify the current overall level of state aid to public education as being adequate, given the unmet needs of children, and the below-average state contribution?**

Currently, RI ranks in the top ten for education funding in the nation. According to the National Center for Education Statistics' fiscal year 2007 data, Rhode Island's state contribution is \$5,423 per pupil, which is the 14th highest in the country.

5. What is the timeline for implementation of this formula? Has any legislator sponsored the proposed language for a bill?

This formula is a proposal at this point subject to General Assembly approval. Until a new formula is enacted, districts should continue to use the Governor's FY 2011 Recommended budget for planning purposes.

Proposed legislative language was provided to the General Assembly and the department continues to work with legislative leaders.

6. Discuss what is at stake if action is not taken now. Discuss how federal funding such as Race to the Top, Title I or IDEA money could be jeopardized if the formula is/is not enacted this year.

Rhode Island is the only state in the country without an education funding formula. Children and school leaders deserve a transparent, research validated, equitable mechanism for providing funds to their districts. Local school leaders, using reliable and predictable information on state education aid, will be able to make more effective decisions to support student learning. Delaying implementation of a formula means RI continues to have underfunded and overfunded districts throughout the state. Also, without a formula, RI may continue to lose funding opportunities, such as the Race to the Top grant. In round one of the federal Race to the Top initiative, RI lost out on millions of dollars partially because of its lack of a statewide school financing formula and failure to show that it had made education funding a priority.

7. Identify the stakeholders in development of the plan, including if any were from regional districts.

Over the past three years, RIDE staff has worked closely with members of the General Assembly and several nonprofit agencies on the development of a funding formula. The proposed formula incorporates and builds on many of the concepts that have been included in previous proposals. RIDE partnered with Brown University to ensure that the methodology was research based and data driven.

Throughout the process, RIDE met with numerous stakeholders for feedback on the proposal, including but not limited to, Senate and House leadership, legislative policy and fiscal staff, the Governor and his staff, the State Budget Officer and her staff, the Office of Municipal Finance, the RI Association of Superintendents, the RI Association of School Committees, the RI Association of School Business Officials, the League of Cities and Towns, the League of Charter Schools, the RI Public Expenditure Council, the Funding our Future group, and the RI is Ready group. RIDE has also met with many districts individually at the request of the district.

8. Discuss other states' formulas as they relate to "money following the student".

Most states use a foundation formula that provides funding for the core instruction of students. These types of formula fund the student basic education program and provide funding for additional student supports. Formulas that fund the student versus the system allow for student choice by having the funding follow the student.

9. Explain why this formula differs from the other funding formula proposals, such as the 2007 Technical Advisory Group Report requested by the General Assembly.

Over the last three legislative sessions, several proposals for a funding formula were considered by the General Assembly. All of these proposals included similar components but considered different methodologies and approaches for achieving the desired result. Among the various proposals, these were some of the differences:

- Assumed that current funding levels were inadequate and required a large influx of additional state dollars (3-6% per year);
- Included foundation amounts that were arbitrary or derived from current per pupil expenditures instead of a data driven amount;
- Included multiple student weights for categories beyond poverty, including special education, limited English proficiency, and career and technical education;
- Used different calculations for the state share ratio; however, all calculations were derived from district property values and median family income;
- Included minimum and/or maximum state share ratios; and
- Froze existing aid distributions (hold harmless) and did not redistribute the base for a more equitable distribution that accounts for changes in district demographics.

This proposed formula uses a research-based data-driven methodology for an education aid formula. The basic premise of this approach assumes that RI's current education system strives to drive funding to the neediest students to close student achievement gaps. This proposal informs interested stakeholders of what ought to be and proposes calculations that are child centered and help create equity, accountability, and transparency. This formula uses empirical evidence to estimate a core instruction amount per pupil that every RI student will receive, a single poverty weight as a proxy for student supports, and a new state share ratio that considers the district's ability to generate revenues and its poverty concentration. No minimum share is used in the formula. Finally, this proposal will gradually redistribute the current aid to account for large disparities

that have developed between districts' ability to generate revenues and the students they serve.

Core Instruction Amount

10. Justify what costs are incorporated into the “Core Instruction Amount” used in the proposed formula. It would appear that transportation and pension costs should have been considered as other than locally controlled costs.

The core instruction amount accounts for costs that have the greatest impact on a child's ability to learn, including instruction, instruction support, some operating costs, and all leadership costs. The components used in the core instruction amount were based on best practice cost studies from states that have been deemed by educator researchers, or the State Council of Governors, to be best practice financial models or states.

The core instruction amount does not include those costs determined to be controlled at the local level, funded by other state programs, or appropriate for consolidation into statewide or regional efficiencies.

Teacher retirement costs are already partially supported through an existing state program, where the costs are shared 60% at the local level and 40% at the state level. School districts with state share ratios less than 40% receive more support by maintaining the existing formula for retirement as opposed to including these funds in the funding formula calculation.

Transportation is a cost where there are opportunities to consolidate into statewide and/or regional efficiencies. The statewide initiative for out-of-district transportation began in July 2009. Although funding for transportation was not included in the initial proposal, RIDE will advocate for additional state funds to support transportation, especially non-public costs, upon full implementation of the proposed education funding formula.

11. Clarify the definition of “adequate per-pupil funding level” that districts must fund education at in terms of components and \$ amounts as outlined in the FAQ.

Adequate per-pupil funding level means that the combination of state, local, and federal funds should be sufficient to fund the basic education program and other approved programs required by law. Funding for the basic education program is calculated as the core instruction amount and the student success factor total prior to application of the state share ratio.

- 12. Justify using the NCES survey that was last completed in 2005 and how these costs were then adjusted by CPI. The correlation between the growth in per pupil expenditures in RI and the other comparison states and changes in CPI bears little to no resemblance to what we pay for in education.**

The National Center for Education Statistics (NCES) conducts a detailed expenditure survey every five years. The last detailed survey was completed in 2005. This data was used in the core instruction amount calculation and adjusted for a northeast consumer price index. This analysis indicated that RI's core cost of education on average is \$8,453 per pupil. Additional information for the core instruction amount is posted on RIDE's website at www.ride.ri.gov. Click on the Proposed Funding Formula link on the home page.

- 13. Provide the categories and numbers for the market basket statewide and also the comparable numbers for individual districts.**

The core instruction amount was compiled using regional expenditure data for Connecticut, Massachusetts, New Hampshire, and Rhode Island. The most recent per pupil expenditure data for each district is published on RIDE's website.

- 14. Define standard class size as used in the formula.**

Standard class sizes were not a factor in the formula. To ensure comparative data was included in regional average of New England state expenditure data for the core instruction amount, a common denominator was set to analyze the expenditure data.

Student Success Factor

- 15. Justify the 40% student success factor – Is that higher than other states? What are other states doing? Explain why the formula uses only a single weight to provide an adequate adjustment to the foundation to ensure that all children have an equal chance to receive a quality education.**

The student success factor used in this formula was based on national education cost and/or research studies and methods employed by over 22 states in the country. Nationally, weights similar to the student success factor range from 35-55%.

This weight is applied to free and reduced price lunch eligible students because poverty data is defined by objective federal income guidelines so that it is difficult to manipulate the data for a favorable outcome. Throughout the country, states are struggling with complex formulas that include numerous weights but do not necessarily tie to improvements in student achievement. In addition, data to support the assigned amounts for the weights are arbitrary. Research also indicates that numerous weights lead to over identification of children in a

particular manner to drive increased funding. Furthermore, children do not exit from the programs because districts will lose the additional funds.

As better cost data becomes available through the Uniform Chart of Accounts analysis and when supported by empirical research, the weighting factors can be adjusted.

16. Explain why the formula does not consistently use the PK-6 FRPL in both places (i.e. the student success factor and the poverty density weight in the state share ratio).

Free and reduced price lunch is used in two places in the proposed methodology for two different reasons. First, the districts' percentage of free and reduced lunch students in grades PK-6 is used as a proxy for the poverty density of a community in the proposed state share ratio. The PK-6 percentage tends to benefit districts because families are more likely to enroll younger students in this program.

In addition, there is a student success factor, or weight, that addresses student needs beyond the basic education program. For each PK-12 student enrolled in the free and reduced price lunch program, a district will receive an additional \$3,318, or 40% of the core instruction amount of \$8,295. PK-12 students were used for the student success factor because the data reported to RIDE can be verified with data collected by the Office of Nutrition. This measure also is an incentive to ensure eligible students remain enrolled in the free and reduced lunch program throughout grade 12.

Furthermore, RIDE will continue to work with the Department of Human Services in mapping our student data to this agency's data to ensure districts are receiving funding for all eligible students.

State Share Ratio Calculation

17. Define exact formula and explanation of components and each community's share (EWAV, %FRPL). Identify source of EWAV (16-7-21?) and FRPL data.

For further information on the state/local share ratio, please refer to the state share ratio handout on our website at www.ride.ri.gov. Click on the proposed funding formula link on the home page.

18. Explain if the formula still relies on the tax equalization study performed by Dept. of Revenue, or some other entity.

The proposed formula will continue to use the equalized weighted assessed valuations, provided by the Department of Administration, as one component in

the state/local share ratio calculation. If the tax system is changed and it results in a better variable for this calculation, the data could be updated.

19. Explain why some value sources seem outdated; i.e., the use of a Median Family Income based on 2000 U.S. Census data, Adjusted Equalized Weighted Average Values (AEWAV) reference year being three years prior to the most current December 31 Assessment date. Discuss any changes that will be made when 2010 median family income data becomes available.

The proposed funding formula would be updated annually based on the latest data available. This proposal will include safeguards to ensure that significant changes in education aid, due to any elements in the formula, will be transitioned over a period of time so that districts have adequate time to adjust for the revised distribution.

In addition, beginning in FY 2011, the U.S. Census Bureau will collect annual median family income updates for every community using the American Community Survey. This information will be published for use in FY 2012. Therefore, we will be able to use annually updated income data for the state share calculation.

In June 2008, a Tax Policy Strategy Workgroup was convened by Governor Carcieri to make recommendations for improving tax policy throughout the state, which would directly affect the AEWAV data used in the state share calculation. Those changes can only be made upon the recommendation of the General Assembly under advisement from the Department of Administration. If changes are made that result in better data, then RIDE would use that data in the formula.

20. Explain how you avoid discrepancies as to property valuations from town to town.

The proposed formula will continue to use the adjusted equalized weighted assessed valuations, provided by the Department of Administration, as one component in the state/local share ratio calculation. If the tax system is changed and it results in a better variable for this calculation, the data could be updated. However, we understand that all districts' property values are revalued or updated at least every three years so that updates to property values are occurring more frequently.

21. Justify why this formula uses median family income (MFI) when Education Aid Formulas in other States consider a variety of other income factors other than MFI. In addition to median family income, median household income, per capita income or combinations of the three would generate differing adjustments to a community's full market value of their tax roll.

RIDE, in conjunction with Brown University, tried over thirty different simulations for the proposed formula, including the use of various income measures in the state share ratio calculation. We used median family income because in conjunction with the other formula elements, it directs funding where the largest student achievement gaps and gradually rebalances education funding to provide all districts a common level of purchasing power. For many districts, the change in the state share ratio is minimal regardless of what income factor is used.

22. Explain the decision to use a quadratic mean rather than an arithmetic (or simple average) mean in consideration of children in poverty when calculating the state share ratio.

Without the inclusion of free and reduced price lunch concentration, there are considerable differences in local burden for communities with the same adjusted assessed property values and different levels of poverty. Including free and reduced price lunch (FRPL) in the state share ratio is a way to account for additional local burden that exists because of a high concentration of poverty. Without FRPL concentration, two communities with the same adjusted assessed property value could have drastically different expectations for local revenue generation. While including FRPL concentration in a straight mean does help to reduce this difference, the proposed calculation is more effective at equalizing the local burden of areas with concentrated poverty versus those with less concentrated poverty.

23. Explain if the calculation on 'district's revenue-generating capacity' was done by town or district and if this means one town could be potentially positively or negatively impacted because of the wealth or lack of wealth of the other.

The calculation for district revenue-generating capacity was done by city or town. For regional districts, the values for each of the sending communities are averaged. If a community that sends to a regional district is adversely affected by a straight average, the education aid calculations will be done by sending community.

24. Please explain the reason for the cut in regional bonuses and how these municipalities will absorb the proposed cut?

Regional school districts will have several years to adjust to reductions in state education aid. RIDE's analysis indicates that the regional bonus is only a small portion of the overall education aid reduction. Changes in assessed property values, declining enrollments, and per pupil expenditures in excess of the state average are also factors. Regional school districts will have to analyze their budgets for cost savings and other efficiencies to operate within the allocated funding.

Local Share Calculation

25. Define how local share was calculated.

The local share of education will be calculated using the most readily available district's local property tax contribution divided by the total public school children residing in the community, including students attending charter schools, Davies Career and Technical Center, and the Metropolitan Regional Career and Technical Center. This per pupil amount will follow the student to whatever public school he or she chooses to attend. Therefore, when school districts submit their budgets, they will be advocating for all public school children that reside in a community regardless of what public school they attend.

Changes in local share will be transitioned over a period of time so that districts will have time to plan accordingly. Payments will be made on a quarterly basis similar to the current process.

State Categorical Funding

26. Provide detail on the higher end special education for the High Needs Special Education categorical fund – populations, cost tiers, etc. At a minimum, headcounts by tier and by district.

Based on preliminary information collected from 47 districts, charter schools, and state schools, approximately 824 students meet the initial criteria of costing over five times the core instruction amount and student success factor ($\$11,613 * 5 = \$58,065$). Total costs for these students are about \$16M. The initial transition plan included \$8.5M for this fund. Thus, if funding is not increased, this cost would be shared between the state and local.

Federal Funds

27. Clarify how federal funds are part of the per pupil.

Currently, federal funds follow the student. Therefore, when federal allocations are done, charter and state school students are pulled out of the sending communities and the funds go directly to the charter or state schools. This proposal does not change the federal allocation process.

Student Data

28. Explain how the “Resident Average Daily Membership” is determined. Are less than full day students counted on a prorated basis? Will the student count data be from the same reporting period as the AEWAV?

Resident Average Daily Membership (RADM) is calculated at RIDE based on student data reported by the school districts. RADM gives the resident district credit for each student enrolled in a public school, whether the student was present or absent. For purposes of this formula, charter school, Davies Career and Tech, and the Met Center students will be excluded from the district data.

Less than full day students are prorated so that a student attending a half day kindergarten program would be counted as 0.5.

This funding formula proposes to update the reference date established for the formula so that it shall not exceed one year prior to the year in which aid is paid. Charter schools would submit their spring lottery for the following school year which would be used in the education aid calculations. This aid would be adjusted, if necessary, in the fall for actual October 1st enrollments. Current education aid programs are on a two year reference, using student data from two years prior to the fiscal year being funded. This proposal would use student data on a one year reference.

29. Explain why charter and state school students are not counted in the RADM, yet districts are to send local share to them.

In this proposal, the amount that the local communities would pay in local tuitions represents the per pupil local property tax contribution. Parents of charter and state school students reside in the communities and pay the required property taxes. If the student chooses to go to a public school outside of the district school system, the related property tax would follow the student. Therefore, when school districts submit their budgets, they will be advocating for all public school children that reside in a community regardless of what public school they attend.

30. Explain why the number of school aged children who attend private and parochial schools is not taken into consideration. Those families contribute to the tax base but these families drive up the median income calculation and capacity to pay issue; we don't receive allowance in the RADM for them because they are not enrolled.

This proposal includes all children attending a school in the public school system. RIDE is not aware of any other state that includes private and parochial students in any data variable for their education funding formulas. The state share ratio is meant to be a measure of wealth of the community to determine the ability to

pay. Families that choose not to use the public school system are still part of the community and will remain in calculations to determine the ability of the community to support the education system.

31. Provide information on audit standards and comfort levels with the free and reduced price lunch data.

Eligibility for the free and reduced price lunch program is based on federal poverty guidelines for students with families at or above 185% of the poverty level. This data has been used historically and consistently in current education aid programs, including the student investment funds. USDA requires a verification test of eligibility data that is done annually. RIDE is currently obtaining electronic eligibility data through the RI Department of Human Services' (DHS) food stamp program. In addition, RIDE is working with DHS to obtain other poverty data to ultimately rely less on self-reporting from school districts and to ensure all eligible students are captured in the student data.

Data Updates

32. Verify when the data used in the formula will be updated - annually or less frequently during the phase-in and thereafter.

Data will be updated annually. Significant changes in education aid will be transitioned over a period of time so that districts have adequate time to adjust for the revised distribution.

Local Costs

33. Explain social security factor for those districts participating in social security. Will other districts receive a "built-in bonus" for not participating?

The core instruction amount is an average of all expenditures excluding teacher retirement that are aligned to the basic education program. Expenditure types and amounts vary from district to district and are incorporated into the calculation.

34. Explain why post retirement benefits are not part of per student calculation.

Post-retirement benefits vary greatly among different districts and are subject to local collective bargaining agreements. These costs are excluded from the formula.

Central Falls

35. Provide information on the Central Falls calculation.

In July 1991, the state took over the Central Falls school system due to the city's inability to fiscally support its schools. While R.I.G.L. 16-1-10 allows districts to petition RIDE to assume the supervision, control, and management of the public schools, the takeover does not automatically occur without a task force looking into the municipality's ability to finance the schools. School districts do not take this decision lightly because it requires them and the municipalities to give up certain autonomous functions.

Currently, the Central Falls school system is 100% state funded and there is no contribution from the city. Although there have been proposals over the last few years that would require the city to begin contributing to the school system, the General Assembly did not enact them.

Central Falls' proposed aid was calculated similar to other school districts. Therefore, the core instruction amount was applied to the system's PK-12 RADM and the 40% weight was applied to PK-12 free and reduced price lunch students. The state share ratio was calculated in the same manner as other school district. Using June 2009 student data, the school system would lose \$11.6M of state funding over the transition period, or approximately \$2.2M per year. This proposal includes a Central Falls stabilization fund to ensure this community has adequate funding to continue closing the student achievement gaps in this district. Therefore, the state will fund 50% of the reduction, or approximately \$1.1M per year, over the transition period for a total of \$5.8M. In addition, the city will be required to support its school system by providing the other \$1.1M per year over the six year transition period for a total of \$5.8M.

State Schools

36. Discuss how local school districts that send students to the State's three vocational schools will be required to pay all costs in excess of the "core instructional amount."

The state currently has three state operated schools: Davies Career and Technical High School, the Metropolitan Regional Career and Technical Center, and the RI School for the Deaf. Both Davies and the Met Center are supported 100% with state and federal resources. Under this proposal, these schools will be funded in the same manner as charter schools and traditional school districts. Districts sending students to these two schools will begin paying a local tuition, consistent with other vocational schools in the state. The proposal calculates the local share using the local property tax contribution divided by resident average daily membership, including charter school, Davies, and the Met Center students. This calculation provides the local property tax per student amount that the

district provides for every public school student in the district. If those students choose to attend a public school outside the district, the local funds will “follow the student.”

The RI School for the Deaf is a special education program and the funding methodology will not change since it already has a state, federal, and local share.

37. Discuss the impact of this formula on the state schools. Will the Met School have to close because of this process?

Districts and schools will have several years to adjust to reductions in state education aid. They will have to analyze their budgets for cost savings and other efficiencies to operate within the allocated funding.

Charter Schools

38. Explain how charter schools will secure the funds necessary to cover those costs excluded from the Core Instruction Basket of Costs.

Costs beyond the state share of the core instruction amount and student success factor will be supported by the local share that charter schools will receive from the sending communities, federal funding, and/or private fundraising.

39. Please clarify what additional costs charters schools will be expected to assume under a new funding formula. Explain why housing and transportation costs for charter schools are not reflected in the formula.

Refer back to Question #10 on page 4-5 of this document for clarification.

This proposal recommends that the cost for transporting a pupil attending a charter school, Davies, or the Met School within the established region shall be charged to the receiving school at the same grade level transportation per pupil cost of the resident community. Districts may offer transportation to charter schools, Davies, or the Met School outside the established region in order to facilitate efficiency provided there is no additional cost to the resident community.

40. Please discuss funding of charter schools by Central Falls. If the local per pupil is determined by property tax revenue but the City of Central Falls doesn't contribute anything, how will the charter schools be funded? If part of the solution of this is to stabilize CF through a \$5 million stabilization fund, then will charter schools be included in that grant as we also serve CF? Provide assurance that the stabilization fund for Central Falls will not be revised without adjusting the overall formula legislation (and vice versa).

The City of Central Falls and the state will equally share the local contribution for the school district. This total will be used for the local share calculation. The proposed legislation guarantees that charter and state schools enrolling Central Falls students will continue to receive a local.

41. Clarify how to avoid property tax revenue going to the school district as the basis for the local share creating an incentive for municipalities to shift the spending on districts to the municipal budget to effectively make their share to districts less.

State law requires communities to contribute local funds to their school committees to support the basic program and all other approved programs required in law. In addition, the uniform chart of accounts provides a system for the department of education to determine education revenues.

42. Explain why certain charter school will lose money under the new formula. Discuss per pupil equity for charter schools as it pertains to the sending district and the disparities in the per pupil costs for the sending district.

Current charter school funding is derived from actual expenditure per pupils. In many cases, districts' per pupils are nearly two times national and regional averages for education spending. Therefore, some districts may need to reduce their education expenditures. In other cases, some districts may not be contributing sufficient funds to support the basic education program and other programs required by law or regulations. These districts will need to start increasing their local contribution. Under the proposal, charter schools will receive the state share of the core instruction amount and student success factor and their share of the local property tax revenue.

Changes in state and/or local funding will be transitioned over a period of time so that charter schools will have a number of years to plan.

Transition Plan

43. Provide clarification on the use of the non-linear 10-year transition plan.

The proposed transition plan is for a snapshot in time. The number of years for transition is determined from the overall percent change. Underfunded districts are transitioned over a period not to exceed five years while over funded districts are transitioned over a period not to exceed ten years. In summary, districts with small overall percentage changes will be transitioned over a shorter period of time than districts with larger overall percentage changes. Changes in data elements will impact the transition plan.

- 44. Explain what the aid distribution would look like if this formula were in effect four years ago, similarly what it would look like four years hence based on current trends. Explain how an assumed 5-10% decline in overall enrollment and a 3-5% increase for those eligible for free and reduced price lunch would change the proposed aid distribution going forward.**

Updates to any components of the proposed education aid formula, such as student data, property values, and/or median family income, which result in an increase or decrease in state education aid that impacts the total state and local contribution by more than three percent will be transitioned over a period of time.

School districts can assess the per pupil value of a student by multiplying their proposed formula state share ratio by the core instruction amount of \$8,295. This calculation can be multiplied by 40% for the additional value of a student eligible for the student success factor. These calculations can then be multiplied by different amounts to assess the impact of a change in student data.

Maintenance of Effort

- 45. Discuss the impact the formula will have on maintenance of effort (RIGL §16-7-23).**

This proposal recommends that the maintenance of effort statute include options for districts receiving additional state education funds, as follows:

- (a) **High Local Contribution Communities** – any communities that fund at least 85% of the cost of their public schools and are fully funding the basic education program and all other approved programs required in law and regulation will be authorized to reduce their local appropriation to schools.
- (b) **High Per Pupil Expenditure Communities** – any communities that have local appropriations that combined with state education aid provide full funding of the basic education program and exceed the benchmarks established by RIDE for costs outside the education aid formula will be authorized to reduce their local appropriation to schools.

- 46. Clarify, for the purposes of determining MOE, how to account for debt service.**

To the extent that debt service is carried on a school district's books, the appropriating municipality must fund this debt service so as to prevent "the cost of school housing from interfering with the effective operation of schools" (R.I.G.L.16-7-35 (2)). Therefore, debt service is part of the appropriating community's maintenance of effort obligation.

If the debt service is carried on the books of the municipality, then it would not be a factor in the maintenance of effort calculation.

Tax Cap

47. Provide details on how the tax cap will be applied for those communities losing school aid.

The tax cap statute allows districts to exceed the percentage specified in the law if the municipality experiences a loss in total non-property tax revenues (RIGL 44-5-2 (d)).